

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7923

BILL NUMBER: HB 1707

DATE PREPARED: Jan 30, 2001

BILL AMENDED:

SUBJECT: Special Service Areas.

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FUNDS AFFECTED:

**GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill permits owners of taxable real property to petition to cities, towns, and counties to establish special service areas for the purpose of imposing assessments against real property to provide funding for infrastructure, such as streets, sidewalks, sewers, capital improvement board projects, park and recreation facilities, and municipal utilities. It establishes procedures for hearings on the establishment of a special service area and for computation of assessments against real property. The bill also establishes procedures for objecting to the establishment of the area or computation of assessments. This bill provides that money raised by the assessments may be used to pay debt service on bonds or lease rentals under leases.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill allows a local unit, except for townships, to have the option to establish a special service area for the purpose of providing infrastructure as defined by the bill. An adopting unit may issue bonds or lease rentals to pay for infrastructure to be developed and use the assessments from the special service area to pay the debt from the bonds and lease rentals.

If a unit establishes a special service area, the unit may retain or employ qualified personnel or other consultants in order to develop a formula for determination of the percentage of total benefit. If a unit hires additional staff or contracts with consultants, expenditures would increase for the unit.

If petitioned to establish a special service area, there are several instances where the unit's legislative body must give notice of a hearing through publication in either a newspaper or qualified publication as defined in IC 5-3-1. Under P. L. 64-1995, basic publishing charges are by the line with squares of 250 ems. Before January 1, 1996, the rate was \$3.30 per square for the first insertion in a newspaper or qualified publication plus \$1.65 per square for each

additional insertion in a newspaper or qualified publication. After December 31, 1995, and before December 31, 2005, a newspaper or qualified publication may, effective January 1, increase the basic charges by 5% more than the basic charges that were in effect during the previous year. However, the basic charges for the first insertion of a public notice in a newspaper or qualified publication may not exceed the lowest classified advertising rate charged to advertisers by the newspaper or qualified publication for comparable use of the same amount of space for other purposes. An additional charge of 50% is allowed for the publication of all public notice advertising containing rule or tabular work.

Copies of notices of hearings are required to be sent out by mail, in some cases by certified mail. Rates for certified mail are as follows: \$1.90 for certification, \$0.34 first class postage (if mail weighs more than an ounce), \$1.50 for certification card.

The specific impact of this proposal is indeterminable and depends on the number of units that opt to establish special service areas for infrastructure improvement.

Explanation of Local Revenues: See *Explanation of Local Expenditures*.

State Agencies Affected:

Local Agencies Affected: All local units other than townships.

Information Sources: U.S. Postal Service.